

## Article - Education

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§13–402.

(a) The Maryland Department of Health shall negotiate with the Medical System Corporation the transfer to the Medical System Corporation of the Montebello assets as a grant without consideration.

(b) If the Board of Directors of the Medical System Corporation and the Board of Public Works, in their discretion, approve the transfer, on the transfer date the Board of Public Works, Maryland Department of Health, and any other required State department, agency, or body shall take all legal action necessary to transfer, as a grant without consideration, the Montebello assets to the Medical System Corporation.

(c) If the Board of Directors of the Medical System Corporation and the Board of Public Works, in their discretion, determine that the ownership of Montebello assets cannot be legally transferred on the transfer date, ownership shall be transferred as soon as practicable after it is legal to do so. In any event, provisions shall be made, by lease or other arrangement, for the Medical System Corporation to have control and use of all Montebello assets on and after the transfer date.

(d) For so long as rehabilitation or chronic care services are provided and payment or reimbursement for uncompensated care covers the cost of providing such services to the historic Montebello service population, the Medical System Corporation may not cease providing such services to that population.

(e) The approval of the transfer by the Board of Public Works shall constitute a conclusive determination that the transfer is in compliance with this subtitle.

(f) The Maryland Department of Health shall issue a special hospital–chronic license and a special rehabilitation hospital license to the Medical System Corporation for Montebello on the transfer date. Each license shall be for the same number of beds as licensed to Montebello immediately before the transfer date, less 102 beds licensed in the special–chronic licensing category which shall remain licensed to the Maryland Department of Health. The licenses issued to the Medical System Corporation shall remain effective until the expiration of the most recent accreditation by the applicable accreditation commission, provided the facility continues to be operated in accordance with the requirements of §§ 19–319(d), (e), (f), and (g) and 19–327 of the Health – General Article. Notwithstanding any other statutory provision or regulation to the contrary, the transfer of assets from

Montebello to the Medical System Corporation and the issuance of licenses to the Medical System Corporation shall not require a certificate of need.

(g) (1) (i) The Medical System Corporation shall have all powers of a Maryland corporation not expressly limited by this subtitle to convey, lease, mortgage, encumber, and otherwise control the Montebello assets.

(ii) However, and without in any way limiting the power to mortgage or otherwise encumber the property, before the Medical System Corporation may sell any land, buildings, or other real property transferred on the transfer date for any use other than operation as a rehabilitation facility, a chronic care facility, or both, it shall first offer the land, buildings, and other real property to the State as a grant without consideration.

(2) This subsection may not be interpreted as limiting the ability of a lender:

(i) To foreclose or recover on any lien on any Montebello assets; or

(ii) To sell or otherwise transfer the Montebello assets subject to the lien.

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